IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY APPLICATION NO.388 OF 2002
IN
COMPANY PETITION NO.335 OF 2002

Tata Iron & Steel Co.Ltd. & Anr. ....Applicants

V/s.

Ainamid Engineering and Metal Works Pvt.Ltd. ....Respondents

Mr.D.D. Madon with Mr.G.R. Joshi i/b M/s.Mulla & Mulla & C.B. & C. for the Applicants in support.

Mr.Chirag Mody i/b RMG Law Associates for the Respondents to show cause.

CORAM : S.J. VAZIFDAR, J.
DATED : 4TH NOVEMBER, 2004.

P.C. :

1. By this Company Application the Applicants seek the appointment of the Provisional Liquidator in respect of the Respondent. By an order dated 6th February, 2003, D.K. Deshmukh, J. observed that the Company did not have any worthwhile defence and that it was not in a position to pay its debt. The Petition was therefore admitted. This finding was in view of the fact that even after accepting the

Respondents' case that Rs.15.00 lacs was paid a sum of Rs.55.00 lacs in any view of the matter was due and payable. The Company however, expressed its inability to deposit even that sum. In fact the claim of the Petitioner is about Rs.1,75,00,000/-.

2. It appears that the companies manufacturing activities have come to standstill. This is admitted in the affidavit in reply filed on behalf of the Company where it is stated that the Company had suffered losses as a result whereof there was a forced closure and the Company had to pay the workers. A vague statement is made across the bar that the Company is however carrying on some trading activities. It is claimed that the Company earns around Rs.1.00 crore from this adjustment.

3. However, the Company has expressed its inability even now to pay any amount even in instalments.

4. Further as pointed out by Mr.Madon, the learned counsel appearing on behalf of the Applicants, the balance sheet of the Respondent as on 31st March, 2003 showed that for the year 31st March, 2002, the inventory was Rs.21,486,656=31 and for the year 31st

March, 2003 it was only Rs.235,743=15.

5. In the circumstances, the Company Application is made absolute in terms of prayer (a). At the request of the learned counsel appearing on behalf of the Company, the operation of this order is stayed for a period of eight weeks from today. The statement made at the ad-interim stage shall continue for a period of eight weeks from today.

. Parties to act on an ordinary copy of this order duly authenticated by the Company Registrar/Court Stenographer of this Court.